



Annual Report 2006-2007

September 28, 2007

The Honourable Greg Byrne
Minister Responsible for Service New Brunswick
Province of New Brunswick
Fredericton, New Brunswick

Dear Mr. Byrne,

On behalf of the Board of Directors, I have the pleasure to submit to you, pursuant to Section 23 of the *Service New Brunswick Act*, the Annual Report of Service New Brunswick (SNB) for the fiscal year ended March 31, 2007.

Yours very truly,



Georgette M. Roy
Chairperson



Board of Directors

Georgette M. Roy (Chairperson), *Fredericton*

Tim Andrew, *Fredericton*
(ended January 18, 2007)

Jim Dunlap, *St. George*
(commenced January 18, 2007)

Wayne K. Ferguson, *Picadilly*
(ended January 18, 2007)

Jane M. Fritz, *Fredericton*

Robert R. Goguen, *Moncton*
(ended April 1, 2007)

Alfred Losier, *Moncton*
(commenced January 18, 2007)

Jonathan Roch Noël, *Shippagan*

Michelle Pelletier, *Balmoral*
(commenced January 18, 2007)

Derek Pleadwell, *Fredericton*
(commenced January 18, 2007)

Jason André Stephen, *Saint John*
(ended January 18, 2007)

Roy Therrien, *Saint-Basile*
(ended January 18, 2007)

Beth Thompson, *Quispamsis*

Denis Turcotte, *Campbellton*

Officers

Michael D. McKendy,
President

Bernard Arseneau,
Vice President, Operations

Carol Macdonald,
Vice President, Technology and Business Innovation

Linda Corbett,
Acting Vice President, Corporate Services

Claude Poirier, Q.C.
Corporate Legal Counsel

Judy Ross,
Executive Director, Corporate Strategy

From left to right

*1st row: Michael D. McKendy, Beth Thompson,
Georgette M. Roy, Jane M. Fritz, Jim Dunlap*

*2nd row: Derek Pleadwell, Jonathan Roch Noël,
T.J. Smith, (commenced May 7, 2007), Alfred Losier,
Denis Turcotte*

Missing from photo: Michelle Pelletier



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President's Report

The past year has been another one of accomplishments and challenges for Service New Brunswick. For me, it has also been an exceedingly rewarding first year as CEO as we produced a new three-year business plan for the Corporation. This was completed at fiscal year's end and I look forward to visiting the regions of the province in the next few months and talking to staff about our goals for the next three years.

Service New Brunswick's mission is clear: we provide excellence in the delivery of government services and information to the citizens and businesses of this province. Our focus on our customers continues to drive new development and pushes us continually to pursue new offerings for both citizens and businesses. Our single-window approach continues to be among the most advanced in the world. Thanks to our strong business and government partners, SNB is able to carry out its mission effectively year after year.

Line of Business

1. Government Service Delivery

At the end of fiscal year 2006-2007, SNB was providing some 365 public services to citizens via its three channels – online, by phone and over-the-counter – including payment-taking services, such as water and sewer, for 61 New Brunswick municipalities.

Improving our services to businesses also continues to be a major priority. There are now a total of 193 services and 486 forms that are available at any time of the day or night. Through SNB's Web site, provincial automobile dealers conducted 32,911 transactions this year, including new registrations and ownership transfers. This represents an increase of more than 9% over the previous year.

Total transactions in 2006-2007 for the Corporation's four lines of business amounted to 5.2 million and nearly 44% of these were electronic transactions (online and over the phone). Online transactions alone reached 1.8 million transactions this year.

2. Registries

Service New Brunswick operates four of the world's most advanced registries – the personal property, real property, corporate and vital statistics registries. These provide secure and accurate data repositories for New Brunswick citizens and businesses.

On July 1st, 2006, responsibility for the Vital Statistics Registry was transferred from the Department of Health to Service New Brunswick. Responsibility included program management, staff, system, budget and legislation which have all been smoothly transitioned into the Corporation.

The New Brunswick Vital Statistics registry is the only vital statistics registry in Canada to have attained the highest standard as established by Statistics Canada for both birth and death events for every year reviewed by Statistics Canada. This is an exceptional result.

Images of all documents and plans registered in our Real Property Registry since June 2002 are being captured as part of the registration process and images of over 90% of all registered survey plans are available. In addition, an initiative is underway to scan and provide online access to images of the historical Grantor/Grantee Indices and historical Registry documents for the entire province.

The Corporate Registry continues to focus on providing expedited service to businesses through our online channel – snb.ca. This past year, e-filing of non-profit annual returns and amendments to the *Partnerships and Business Names Registration Act* to clarify the renewal and cancellations procedures as they pertain to business name registrations for non-profit organizations were introduced. Also, for the first time, public access was granted to electronic documents over the Internet.

The Personal Property Registry (PPR) allows users to serve public notice of security interests, judgments and other claims affecting personal property, such as vehicles and furniture. During the year, registrations hit 130,213, a small increase from the year before, and generated revenues of \$4,382,305. The number of searches increased 5% to 52,852 and generated revenues of \$399,216.



3. Property Assessment

Service New Brunswick Property Assessors are responsible for carrying out the valuation and classification of all real property for tax purposes in New Brunswick. Assessment Services also administers property tax-related programs and ensures equity in the tax base for both municipal and provincial governments.

The total assessed value for all real property increased \$2.5 billion, or 6.6% for 2007 compared to 2006. This 6.6% increase was attributable to the following: a 2.4% increase in new construction, a 3.7% increase in the reassessment of property valuations based on an analysis of market information, and a 0.5% increase attributable to other work program activities such as property inspections and special projects.

4. Geographic Information Infrastructure

Over the past year, a renewed vision for geomatics in New Brunswick has been formulated. Service New Brunswick, in its role as lead agency for coordination of base mapping and geomatics in New Brunswick, has restructured and created a Land Information Infrastructure Secretariat to lead implementation of the Action Plan. The Action Plan focuses on the following five Key Result Areas: governance, communication and outreach, data, access and infrastructure, and control surveys.

Service New Brunswick also maintains a province wide GPS-based High Precision control survey network. The control survey network is an infrastructure mainly used by land surveyors, governments, engineers, and land managers to reference geographic information using a common coordinate system. It consists of approximately 100 ground stations and offers extremely precise positions for a terrestrial network of control points. Service New Brunswick is further supporting this ground network by introducing a series of continuously operating GPS stations (Active Control Stations - ACS). Since the fall of 2005, five ACS have been implemented through a joint partnership between the private and public sectors. It now serves the users' community in Moncton, Saint John, Fredericton, Miramichi and Bathurst. The GPS observations are available on an hourly basis on the SNB website at no cost to the users. A broad group of users are regularly using this information, especially those in the forestry and mining industries, and by municipalities using geographical information systems (GIS) services to locate roads, pipelines, and above and underground infrastructures.

Condominium development in New Brunswick is enjoying a healthy rate of growth. In 1975, the first condominium corporation in the province was built with 23 units. As of March 31st, 2007, there are 154 condominium corporations with 2579 units. However, no significant amendments have been made to the *Condominium Property Act* in the past 36 years. It has become evident that, with the emergence of issues generated by this significant growth, a review of the legislative and administrative framework for condominiums is in order. There may be a need to improve the administrative and operating procedures in order to improve consumer protection while balancing rights and responsibilities of all the stakeholders. SNB started this process in early 2007 by organizing consultative sessions with stakeholders and setting up an online survey for condominium owners.

Customer Satisfaction Surveys

Each year, SNB carries out a variety of customer surveys aimed at gauging customer satisfaction with our services and continually improving our service delivery. In December 2006, an independent company surveyed customers who had done business with Service New Brunswick at one of our service centres, by phone or over the Internet. Service New Brunswick was rewarded with an overall satisfaction level in excess of 92%.

Business Plan 2007-2010

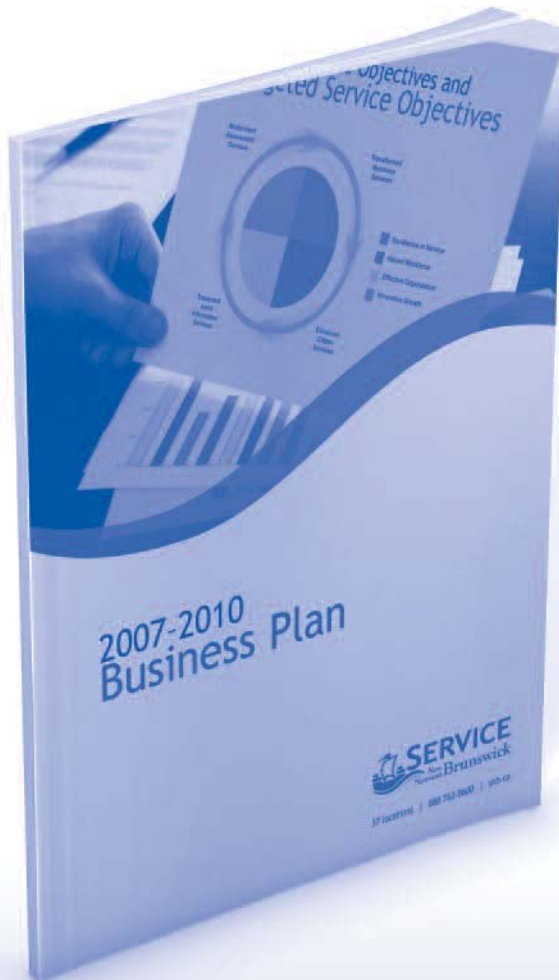
Over the 2006-2007 year, the management team of the Corporation worked on the preparation of a new business plan for the next 3 years. Staff, business partners and stakeholders contributed to the establishment of priorities through a staff survey, numerous strategic planning sessions and development of an environmental scan.

The new plan lays out a solid foundation for the Corporation as we look to improve upon the successes that Service New Brunswick has achieved to date. Service New Brunswick is confident that the new plan will lead us to many improvements in the way that we serve our customers and enable us to play a leading role in helping government achieve transformational change in the future.

Awards during the Year

Service New Brunswick had another award-winning year. On November 7th, 2005, Service Canada, Transport Canada and Service New Brunswick signed an agreement to deliver licenses for pleasure craft across the country on behalf of Transport Canada. This past year, SNB and its partners were awarded the Service Canada Silver Award of Excellence 2006 in recognition of their outstanding contribution to Partnership and Collaboration in the delivery of service in Canada.

At the Government Technology Exhibition and Conference (GTEC) in October, 2006, a GTEC certificate in recognition of outstanding achievement was awarded to Service New Brunswick, Service Canada and Transport Canada as a finalist in the GTEC Distinction Awards 2006 Program. This program is an annual celebration of excellence in public sector management of information and technology.



SNB Team

At Service New Brunswick, we always look forward to finding new opportunities and improving the services we currently offer. All of the great accomplishments that I have outlined in this report would not be possible without our dedicated employees. I am pleased with the quality of our professional employees and their expertise and commitment in serving the citizens of New Brunswick. They believe in quality customer service and are committed to the success of the Corporation.

In addition to our remarkable staff, I want to thank the other people who play a significant role in the success of SNB: our shareholder, the Province of NB; our Minister, the Honourable Greg Byrne; the Board of Directors of SNB for its support and direction; our business partners, who help us develop and market our products and services; the people and businesses who use our products; the municipalities that welcome us as partners; and the various government departments on whose behalf we deliver services.

Yours in great service,

A handwritten signature in black ink, appearing to read "m m k", is written over a light blue background.

Michael D. McKendy
President



About Service New Brunswick

Service New Brunswick (SNB) is a Crown corporation owned by the Province of New Brunswick that was created to bring together, under one roof, the transactional services and information upon which New Brunswickers can conduct their personal and business lives.

Vision

Service New Brunswick... government services on time, every time, everywhere.

Mission

Providing excellence in the delivery of government services and information to citizens and businesses

Four lines of business

The Corporation has four lines of business:

- government service delivery,
- registries,
- property assessment, and
- geographic information infrastructure

These four lines generated revenues of \$58.3 million in 2006-2007.

Service Delivery

SNB is the gateway for the public to some 365 government services offered through a multi-channel single-window:

- in person, through a network of 38 service centres, located throughout the province,
- over the phone (TeleServices), toll-free at 1 888 762-8600, and
- on the Internet at www.snb.ca.

Service New Brunswick delivers a wide range of services on behalf of various government departments and agencies and also accepts payments on behalf of utilities and 61 municipalities. Examples of services include:

- motor vehicle related services: issuance of driver's licences, renewals of registration, placards for disabled persons
- recreation: issuance of hunting and fishing licenses, online tickets for some major attractions in New Brunswick
- government forms: Medicare, change of name, lottery registration

Registries

SNB maintains four electronic registries that provide authoritative public information:

- the Real Property Registry – deeds, wills, subdivision plans, etc. related to land parcels in New Brunswick,
- the Personal Property Registry – security interests, judgments and other claims related to personal property such as automobiles, recreation vehicles and furniture,
- the Corporate Affairs Registry – corporations, partnerships and business names registered in New Brunswick, and
- the Vital Statistics Registry – Vital events data (births, stillbirths, marriages, and deaths) churches/religious denominations seeking to perform marriages in New Brunswick.

Property Assessment

SNB assesses all land, buildings and associated improvements for property taxation purposes and operates the province's Property Assessment and Taxation System. SNB Assessment Services are also responsible for administering a number of property tax-related programs.

Geographic Information Infrastructure

SNB is responsible for the creation and the maintenance of the province's control survey network and base mapping data.



Trends in Service Delivery

Service New Brunswick's multi-channel single-window service delivery means citizens and businesses can choose the channel of delivery that is the most convenient for them. SNB is committed to maintaining excellent service through its three channels. With more services available on the web and the ease of use and convenience this creates, SNB continues to keep the take-up of the electronic channels (web and TeleServices) from the previous years. This migration towards these channels frees up capacity in our 38 service centres to allow the Corporation to increase the volume of services and number of service offerings while managing costs. As well, the use of virtual fulfillment technology has allowed the Corporation to utilize staff in its less busy locations to process vehicle registrations and other physical products for transactions conducted via the call centre or over the Internet.

Transactions by delivery channel

Delivery Channel	2006-07	2005-06	2004-05
Online	37.4%	37.4%	37.6%
TeleServices	6.2%	6.3%	6.5%
Over-the-counter	56.4%	56.3%	55.9%

During the year, SNB completed a total of 5.2 million transactions for its four lines of business.

Legislation and Governance

The *Service New Brunswick Act* provides the context for the activities of the Corporation. The Act specifies that SNB is the principal provider, on behalf of government, of customer services, through physical offices, telephone and electronic channels. The Act also sets out the Corporation's responsibility for coordinating geographic information services, real property assessment and registration and the administration of tax-related benefit programs, personal property registration, the Corporate Affairs Registry, and the promotion of the geomatics industry. SNB also administers a number of Acts on behalf of the province. The Corporation enters into partnerships for specialized geomatics and technology work with private sector companies who subsequently showcase the finished product when seeking national and international contracts. Examples of this work are quality control and

project management for topographic database collection and the project management and technical architecture related to large information technology projects.

A Board of Directors guides the business of the Corporation. There are two committees of the Board of Directors: the Audit Committee reviews the financial statements of the Corporation and the Development Committee oversees new system development. Revenues are acquired through a combination of fees for services (Real Property, Personal Property and Corporate Affairs Registries fees), payments (the Province and the municipalities pay for the property assessment service), and main estimates (the Province provides funding to the Corporation to deliver services on its behalf). SNB reinvests from these revenues into the further improvement of its business processes and service delivery to make it easier and simpler for citizens to do business with government.

Official Languages

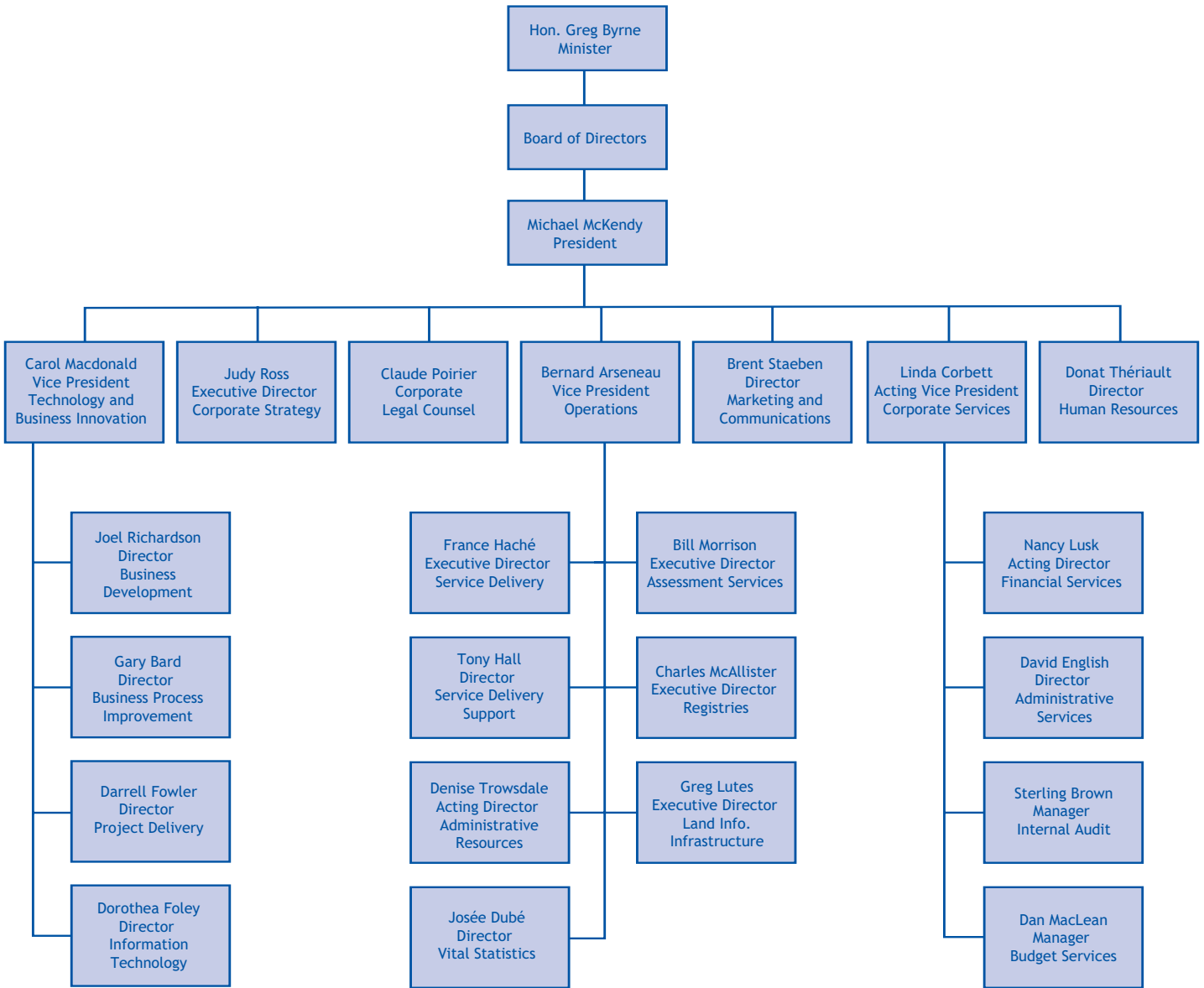
SNB recognizes its obligations and is committed to actively offer and provide quality services to the public in the public's official language of choice for each delivery channel. The Human Resources Directorate is responsible for the coordination of the Official Languages Policy for the Corporation. A total of 10 employees pursued second language training in 2006-07. During the past year, SNB received three complaints through the Commissioner of Official Languages for New Brunswick. Two decisions are still pending and one complaint was unfounded. All complaints have been addressed.

People and Places

The Corporation employs 743 people in 38 communities, the majority of whom are permanent employees. Over 73% of SNB's employees provide service directly to our customers while 203 are employed in head office functions such as finance, administration, human resources, corporate counsel, policy and strategy, communications, marketing, business development, technology and process improvement, project delivery, and operations management.



SNB Organization chart





Lines of Business

Service Delivery

Service New Brunswick is the service delivery agency for the Government of New Brunswick. The Corporation offers some 365 services to citizens on behalf of various provincial government departments, municipalities and public utilities. Convenience to the customer is a key factor in service delivery. To meet New Brunswickers' expectations, SNB offers three channels of delivery for government services:

- SNB Service Centres
- SNB TeleServices
- SNB Online

SNB Service Centres

With a network of 38 service centres located throughout the province, SNB offers New Brunswickers a combination of personalized service and convenient extended hours. Certain offices are open evenings and Saturdays. The service centre network is composed of 13 full-scale service centres throughout New Brunswick offering services on behalf of government departments, some municipalities, and public utilities. Smaller centres are established in other communities; the number of services offered varies at each location. Of the 5.2 million transactions completed at SNB during the past year, 2.7 million of these transactions were completed over-the-counter at SNB centres and 1.3 million of these over-the-counter transactions were directly related to driver services and motor vehicle registrations. Other examples of services offered over-the-counter include property tax payments, provision of information on government services and programs, and licenses and permits issued on behalf of departments.

SNB Driver Qualifications

SNB provides Driver Examiner services in 35 locations. During the year, SNB Examiners conducted 26,016 written tests and 24,134 road tests for all classes of driver licenses.

SNB TeleServices - 1 888 762-8600

SNB TeleServices is the Corporation's customer contact centre. New Brunswickers can access over 90 services by calling 1 888 762-8600. SNB TeleServices also replies to incoming emails from the SNB Internet site and the Internet-based Provincial Government Directory. In the fiscal year 2006-2007, staff answered a total of 301,350 calls, and 6,928 emails. Three main types of services are offered over the phone:

- Information and referrals
- Transactions
- Support to automated phone lines

Information and referrals

SNB TeleServices continues to provide information on behalf of various provincial departments, such as the Department of Health and Wellness and the Department of Finance. These services include Medicare, property tax balances and assessment information, as well as general government inquiries. Information on the Department of Education's Student Financial Services can also be obtained from the customer contact centre by dialing 1 800 667-5626.

The newest additions to the information-based services are:

- Department of Family & Community Services' Adoption
- Department of Family & Community Services' Foster Care
- Service New Brunswick – Vital Statistics

Transactions

Added to our transaction-based services are payments for the Atlantic Health Science Corporation. Current transaction-type services include renewals, payments (for municipalities), purchases, changes of address and some requests for application forms.

Support to Automated Phone Lines

SNB TeleServices continues to offer automated phone line support on behalf of the Department of Finance for property tax certificates and the Department of Natural Resources for Resident and Non-resident Moose licenses, or for non-resident Black Bear licenses applications.

Newly implemented in 2006-2007 is a “first responder” help desk support for the Department of Education employees experiencing computer problems. SNB TeleServices agents record the employee’s name, type of inquiry, particulars of the call and submit a request electronically to the department’s technicians for resolution.

SNB Online - www.snb.ca

SNB Online, at www.snb.ca, has become a world reference for providing quick and convenient online service. SNB Online offers numerous products and services, as well as over 486 online forms including applications for birth certificates, property tax allowances and Medicare registrations. A number of forms from various municipalities are also available on the site.

In 2006-2007, 66,923 motor vehicle registrations were renewed through SNB Online, showing an increase of 1% over the previous year.

During fiscal year 2006-2007, SNB Online continued its partnership with New Brunswick municipalities, offering services ranging from water and sewer payments to fitness centre memberships. SNB Online currently serves 61 municipalities through its Web site. SNB Online has an Electronic Funds Transfer (EFT) system that allows registered and authenticated customers to pay for certain services without having to use traditional payment methods such as cheques and cash.

Last year, 92 auto dealers and 13 trucking companies have used the EFT system. Through SNB’s Web site, provincial auto dealers conducted 32,911 transactions, which include new registrations and ownership transfers. This represents an increase of more than 9% over the previous fiscal year.

As of March 31, 2007, 22 service and information packages were available through SNB Online. Individuals can find information, forms and links on various common topics such as what to do if you are a new resident to the province, or how to obtain a driver’s

licence. Businesses can find important information on how to register a business or helpful service packages, such as one specially designed for the construction industry. Items like maps, atlases, publications, and NB promotional items are also available for purchase at SNB Online. SNB’s customer support system offers help to customers who encounter difficulties while visiting the web portal. Support is provided to customers either by email or through a toll-free number.

SNB Online Products and Services

Product/Service	2006-07	2005-06	2004-05
Forms	486	431	352
Service packages	22	20	19
Services	193	186	152
Product/publication	27	26	24

Registries

Service New Brunswick is responsible for the Real Property, Personal Property, Corporate Affairs and Vital Statistics registries for the Province of New Brunswick.

Real Property Registry

Service New Brunswick maintains a network of 13 registry offices across the province where legal plans and documents – deeds, mortgages and wills – relating to the ownership of real property can be registered and made available for public scrutiny. Registry records provide land ownership information dating back to the original Crown grants, over 200 years ago.

A province-wide Land Titles system has been in place since March 2001. To date, 177,936 parcels of the 519,798 parcels in the province have been converted to this new system. The title registry always shows the current state of the title without any further investigation and the provincially guaranteed Certificate of Registered Ownership is a comprehensive title certificate, which provides greater security to landowners and lending institutions. Lawyers, title searchers and land surveyors are the main users of the Real Property Registry. Various other interested parties also use the registry. Searches of the Real Property registry, including requests for Certificates of Registered Ownership, generated revenues of \$1,500,330 in 2006-2007.

A parcel identifier (PID) is assigned to each parcel of land that can be separately conveyed. Property and ownership information is maintained against each PID. Property maps are maintained in a digital file format by staff in the Corporation's regional offices and updated on a nightly basis to provide current full provincial coverage. PLANET is a comprehensive, integrated online source of land registration, assessment, mapping and information services, allowing the user to conduct land-based transactions quickly, efficiently and with accurate information. With the tools provided by PLANET, SNB real property staff, businesses, professionals and the public have online access to current provincial land-ownership information, property maps and land valuations. Images of all documents and plans registered since June 2002 are being captured as part of the registration process. In addition, images of over 90% of all registered survey plans are available and an initiative is underway to scan and provide online access to images of the historical Grantor/Grantee Indices and historical Registry documents for the entire province is well underway.

As of March 31, 2007, Grantor/Grantee Indices for 8 of the 15 counties and historical registry documents, from current back to 1930 ±, for 5 of the 15 counties are available online.

Personal Property Registry

The Personal Property Registry (PPR) is an award winning, computerized, province-wide registry service where users can serve public notice of security interests, judgments and other claims affecting personal property, such as automobiles, recreational vehicles and furniture. Financial institutions and the general public use the PPR because it is an easy way to register a security interest in personal property. It offers one-stop access to publicly listed information about personal property, and it provides an easy way to check if the product being offered is encumbered.

There are two ways to search the Personal Property Registry:

- The public may engage the services of a private service provider who will perform a search or registration on their behalf or,

- By searching the PPR themselves through the Lien Check service. This online functionality allows anyone to search the PPR simply by referencing the serial number of the asset being searched. This service, which has won an award, was developed cooperatively between the four Atlantic Provinces and in partnership with Unisys Canada.

The PPR is thus more accessible and, consequently, offers better protection to consumers purchasing used goods.

During the year,

- 130,213 registrations were completed, compared to 129,055 the year before.
- The registrations generated revenues of \$4,382,305
- The number of searches increased from 50,390 to 52,852
- The searches generated revenues of \$399,216

Corporate Affairs Registry

Corporate Affairs incorporates New Brunswick-based business corporations and non-profit companies, and registers partnerships and business names under which sole proprietorships and partnerships operate. In addition, extra-provincial corporations and businesses conducting business in New Brunswick are normally required to register with Corporate Affairs. Corporate Affairs maintains publicly available, up-to-date information on business and non-profit corporations and unincorporated business entities. Information on over 149,000 past and existing businesses and nonprofit companies can be accessed over the Internet.

The Corporate Affairs Registry assigns the New Brunswick Account Business Number (BN) through the incorporation/registration process. The BN is a unique common identifier that can be used for provincial, federal and municipal services. Over 54,000 businesses in New Brunswick have now been assigned their unique New Brunswick Account Business Number. A number of licensing and permitting programs in the Department of Finance and the Department of Public Safety participate in the Business Number system.

Key highlights for the year are as follows:

- Public Access to electronic documents over the Internet
- E-mail notification to clients of filed online incorporations/registrations and articles of amendment
- E-filing of non-profit annual returns
- Amendments to the *Partnerships and Business Names Registration Act* to clarify the renewal and cancellations procedures as it pertains to business name registrations for non-profit organizations
- Name Search firms are now able to offer a New Brunswick NUANS expedited search report
- E-filing products and use continue to grow. E-filing rates for March 2007 are as follows:
 - 93% business incorporations
 - 48% business name registrations
 - 83% articles of amendments
 - 36% business name renewals
 - 54% annual returns - provincial business corporations
 - 69% annual returns - extra-provincial corporations
 - 74% requests for certificate of status

For 2006-2007, there were 25,162 e-filings in the Corporate Registry. This represents 52% of the total volume of filings in the Registry.

Corporate Affairs Registry Statistics

Activity	2006-07	2005-06	2004-05
Incorporations	2,733	2,686	2,491
Registrations	3,407	3,574	3,052
Annual Returns	32,240	32,689	31,474
Certificate of Status/ Certified Copies	4,306	4,187	3,769

Vital Statistics

On July 1st, 2006, responsibility for the Vital Statistics Registry was transferred over from the Department of Health to Service New Brunswick. Responsibility included program management, staff, system, budget and legislation. These have all been smoothly transitioned into the Corporation.

Vital Statistics registers, maintains, verifies and disseminates birth, death, stillbirth and marriage data (vital events), searches records, issues certificates of a vital event, distributes marriage licences, approves and registers changes of name; registers and maintains an index of churches/religions authorized to solemnize marriages in New Brunswick, approves requests for access to information in accordance with legislation and policy, and produces various statistical reports based on vital events.

The New Brunswick Vital Statistics Registry is the only vital statistics registry in Canada to have attained the highest standard as established by Statistics Canada for both birth and death events for every year reviewed by Statistics Canada. As a result of the new passport requirements, volumes for all types of certificates have been increasing:

Volumes	2006/2007	2005/2006
Certificates Issued (all types)	45,646	42,285
Changes of Name Processed	433	455
Amendments Processed	2,312	2,373
Vital Events Registered	17,329	17,979

A modernization plan was developed which aims to make the Vital Statistics Registry the fully integrated cornerstone registry for identity management in the province of New Brunswick, and will allow citizens of New Brunswick and New Brunswickers living out of province to have easy and timely access to Vital Statistics information and services from a variety of secure sources.

Property Assessment

Service New Brunswick Property Assessors are responsible for carrying out the valuation and classification of all real property in New Brunswick. Assessment Services also administers property tax-related programs and ensures equity in the tax base for both municipal and provincial governments.

Valuation

The *Assessment Act* states that all real property is to be valued at its “real and true value”, more commonly known as market value, as of January 1st of each assessment and taxation year. Property values are based on information obtained from property inspections, the analysis of construction costs, and real estate market transactions. Site inspections are conducted on new construction, properties sold during the year, and properties scheduled for inspection during the annual work program. Irrespective of property inspections, all property assessments are reviewed annually and adjusted if necessary. Service New Brunswick establishes valuations as of January 1st each year. The property assessment taxation process is divided into three segments:

1. Locating, classifying and valuing properties

SNB maintains an inventory of all real property. All properties are valued, classified, and identified as to their location within the various taxing authorities in New Brunswick.

SNB produces and validates the assessment bases and communicates these values to the Department of Local Government in October of each year.

2. Determination of Tax Rate

Municipalities, and the former village portion of rural communities, determine a tax rate that satisfies their fiscal requirements, while the Minister of Local Government performs that function on behalf of Local Service Districts (LSD) in consultation with the respective LSD Advisory Committees and for the former LSD portions of rural communities. The Minister of Local Government approves municipal budgets and tax rates. The tax rates are communicated to the Department of Finance by the last week of January.

3. Production and mail-out of Assessment and Tax Notices

The Assessment and Tax Notice is mailed to assessed owners on March 1st. The Department of Finance is responsible for calculating the tax levy and for all tax collection. However, property tax payments may be made at any SNB centre. Assessed owners have 30 days after the mailing of the Notices to file a Notice of Reference, the first level of the appeal process in NB.

Every person who owns real property in the Province of New Brunswick, uses or occupies property from the Crown (either Federal or Provincial) or, under certain conditions, leases property from a private landowner, receives an Assessment and Tax Notice.

As of December 31, 2006, there were 441,148 assessment accounts in the province, compared to 437,582 the year before. The increase in the number of assessment accounts is due to land subdivision, increased number of condominium units, and more mini/mobile homes. The total assessed property value, as contained in the 2007 Assessment Bases released in October 2006, was \$40.2 billion, an increase of \$2.5 billion from the previous year.

Assessment Referrals and Appeals

Property owners who feel their property assessment does not reflect “real and true value” have the opportunity to challenge the valuation through the referral and appeal process. Assessed owners can ask for a review of their assessment by filing a Notice of Reference of Assessment that is part of the Assessment and Tax Notice. An Assessor will then inspect the property, review the concerns of the property owner, and render a written decision as to whether any change to the assessment is warranted for the current year. Owners can appeal that decision to the Assessment and Planning Appeal Board. During 2006, 6,598 assessed owners, representing 1.5% of all properties, referred their assessments for review, compared to 8,100 the year before. Also during the year, 250 property assessments, or 0.05% of all properties, were appealed to the Assessment and Planning Appeal Board as compared to 189 during 2005.

Property Assessment Information

Online Access

The *Property Assessment Information - Online Access*, is a service that allows New Brunswickers to freely access a limited amount of property assessment information online.

Searches can be done in three different ways: by street address (location), by property account number (PAN) or by parcel identifier (PID).

This service provides public assessment information while at the same time respecting the privacy of all citizens by protecting the names of property owners. The information available is limited to the following fields:

- PAN: Property Account Number
- Assessment Year: Year for which assessment information is reported
- Location: Location of assessable property (address)
- County: County property is located in
- Current Assessment: Assessed value for account
- Current Levy: Tax levy applicable for that property account
- Property Description: A brief narrative describing the components of the property
- Tax Class: Describes level of taxation applicable
- Taxing Authority: Geographic authority for taxation of property (municipality)

Property Tax-Related Programs

Service New Brunswick Assessment Services is responsible for administering a number of property tax benefit programs:

Residential Property Tax Credit Program – a provincial tax credit allowed on the portion of residential property that an assessed owner maintains as a principal residence, for at least 183 days of the year. In 2006, provincial tax credits totaled \$252.9 million in provincial taxes on 223,628 properties as compared to \$239.3 million in provincial taxes on 220,360 properties in 2005.

Farmland Identification Program (FLIP) – for deferring tax on agricultural land and buildings. In 2006, approximately 163,539 hectares of farmland with an assessed value of \$144.4 million, and \$179.9 million in farm buildings received deferred tax-benefits. This amounted to a deferment of \$4.9 million in provincial taxes and approximately \$301,800 in municipal taxes.

Assessment Reduction Program (ARP) – for providing tax relief for charitable and non-profit organizations. In 2006, partial exemptions under this program were granted to 817 properties (a total assessment reduction of \$146.1 million). Full exemption under this program was granted to 197 properties (with a total assessed value of \$25.4 million).

The Property Tax Allowance Program – provides for a tax allowance for assessed owners of owner-occupied residences of up to \$200 based on income. In 2006, benefits totaling \$5.0 million in provincial taxes were granted to 25,653 assessed owners.

Properties Exempted from Provincial Taxes – three sectors of transportation infrastructure (major cargo ports, certified airports and rail right-of-way) along with crude oil tanks and pipes are, by legislation, exempted from provincial property tax. In 2005, this exemption was extended to include properties that are assessed in the name of a not-for-profit housing organization and used for low rental housing accommodation. For 2006 there were 753 non-profit properties having a total residential assessed value of \$225.1 million exempted from \$3.4 million in provincial property tax. In total for 2006, 1,018 properties having a total assessed value of \$396.6 million were exempted from \$7.3 million in provincial property tax.

Properties Exempted from Taxation – legislation also provides for properties such as churches, historical and literary societies and volunteer rural fire departments to be exempted from taxation. For 2006, 6,718 properties having a total assessed value of 1.2 billion were exempted from \$22.9 million in provincial taxes.

Federal Properties (Valuation, Legislation, Appeals) – The Federal Government makes “discretionary” payments in lieu of paying property taxes. The applicable federal legislation is *The Payments in Lieu of Taxes Act*. The Department of Finance forwards an Application for Payment to the Federal Government in March of each tax year. The Federal Government then returns a final Schedule of Payment, including their valuation and classification calculations. Any appeal of these assessed values, based upon the payment received, is filed with the Dispute Advisory Panel (DAP), created by the federal government. At year-end 2006, the total assessed value of this property inventory was \$631.8 million. This total value represented \$12.6M in provincial payments and \$10.0M in municipal payments.

Total Assessed Value

The total assessed value for all real property increased \$2.5 billion, or 6.6% for 2007 compared to 2006. This 6.6% increase was attributable to new construction (a 2.4% increase), reassessment of property, valuations based on an analysis of market information (3.7%), and other work program activities such as property inspections and special projects (0.5%).

Assessment Performance Measures

The major responsibility of assessors is estimating the market value of properties based on statutory requirements. The accuracy of valuations made for assessment purposes is of concern, not only to assessors, but also to taxing authorities, property owners, and their elected representatives.

Ratio studies provide a means for evaluating the accuracy of those assessments. Assessment accuracy refers to the degree to which properties are assessed at market value, as defined by professional standards and provincial statutes. A ratio study compares assessments with indicators of market value, for example property sales.

The following three indicators provide the assessment and sale performance for the year 2006:

- 1) The Assessment Sale Ratios (ASRs)
- 2) The Coefficients of Dispersion (COD)
- 3) The Price Related Differential (PRD).

When using these indicators, two types of properties are targeted to measure quality: residential homes with one residential unit and commercial properties.

The Assessment to Sale Ratio (ASR) is a measure which takes the assessed value and divides it by the sale price. Acceptable standards for the ASR range between 90%-110%. The optimum ratio is 100%, which would indicate the assessed value was equal to the market value. This, of course, is the goal of every assessment.

The Coefficient of Dispersion (COD) is the average absolute deviation of a group of numbers from the median as expressed as a percentage of that median.

Acceptable standards range between 10 and 20. A COD of less than 10 is considered excellent and would represent a very narrow and focused range of assessments, indicating that the majority of assessments are close to an ASR of 100%.

The Price Related Differential (PRD) is a measure of vertical equity on assessment to sale ratios. It serves as an indicator of assessment quality for properties with different value range. That is, indicates whether lower valued properties are assessed at a higher or lower ratio to their market value than higher valued properties or vice versa. The PRD ratio is calculated by using the mean of Assessment to Sale Ratios (ASRs) divided by the weighted mean. The optimum ratio is 1.00 or 100%. Ratios greater than 1.00 indicate lower valued properties are assessed at a higher level to their market value than that of higher valued properties, known as "regressivity" in assessment. Ratios less than 1.00 indicate basically the opposite, that higher priced properties are assessed at a higher ratio to their market value than lower valued properties, known as "progressivity" in assessment.

The table on the following page indicates the ASR, COD and PRD for SNB's assessment and sale performance indicators for 2006 and the five previous years.

SNB Assessment and Sale Performance Indicators 2006

	Assessment Sale Ratios		Coefficient of Dispersion		Price Related Differential	
	Res.	Comm.	Res.	Comm.	Res.	Comm.
International Standards	0.90-1.10	0.90-1.10	10-15	20	0.98-1.03	0.98-1.03
2006	0.95	0.92	10.1	13.1	1.013	1.041
2005	0.95	0.89	10.6	19.2	1.015	1.056
2004	0.95	0.88	10.6	17.7	1.017	1.018
2003	0.94	0.89	10.8	17.9	1.019	1.051
2002	0.94	0.93	10.1	15.9	1.018	1.006
2001	0.95	0.93	10.2	17.5	1.020	1.033

Geographic Information Infrastructure

New Brunswick Geomatics Review

A renewed vision for geomatics in New Brunswick has been formulated. Service New Brunswick, in its role as lead agency for coordination of base mapping and geomatics in New Brunswick, has restructured and created a Land Information Infrastructure Secretariat to lead implementation of the Action Plan. The Action Plan focuses on the following five Key Result Areas: governance, communication and outreach, data, access and infrastructure, and control surveys.

Governance

The vision is based on a new province-wide approach to geomatics, which will include three new committees with appropriate membership at the technical, management, and executive levels to coordinate government decision-making regarding land information. Clear roles and responsibilities will be assigned, and progress will be subject to metrics.

SNB's Land Information Infrastructure Secretariat (LIIS) will support the committees and coordinate provincial interests in building the collaborative, shared land information infrastructure.

Communication and Outreach

There is a generally acknowledged lack of awareness of the opportunities presented by geomatics. SNB will put a renewed emphasis on communicating provincial success stories and connecting the players in geomatics to identify further opportunities. SNB will undertake outreach efforts with provincial, federal and municipal stakeholders and explore partnership possibilities.

Data

It is widely recognized that data (and access to appropriate data) is the key success measurement. A significant part of the new LIIS mandate will involve pursuing the principle that data should be collected once by those closest to the source, and then shared. SNB will launch a process to create new Data Custodian relationships with other government departments and agencies, which will recognize their primary role in collection, and our supporting role in providing opportunities for sharing. We will pursue a balanced approach that is affordable for all partners and for taxpayers in general.

The focus in 2007/08 will be on Roads and the Administrative Areas Data Bases

Access and Infrastructure

Government organizations as a whole do not have formalized processes for sharing data with others in the government family, or with the public at large. As a result, opportunities are lost. As the lead agency, SNB will endeavour to develop a collaborative, data sharing environment with its partners, allowing Data Custodians and others to access and manipulate information as appropriate in the most cost-effective manner possible.

Implementation is expected to be a phased approach with the initial emphasis on those partners ready, willing and able to participate.

Control Survey

SNB is also responsible for the administration of the *Surveys Act*, as well as the *Condominium Property Act* and the *Air Space Act*.

Surveying

Service New Brunswick maintains a province-wide GPS-based High Precision control survey network. This geographical reference network is vital to many having a need to geo-reference information on a common system.

The control survey network is an infrastructure mainly used by land surveyors, governments, engineers, and land managers to reference geographic information using a common co-ordinate system. It consists of approximately 100 ground stations and offers extremely precise positions for a terrestrial network of control points.

Service New Brunswick is further supporting this ground network by introducing a series of continuously operating GPS stations (Active Control Stations - ACS). Since the fall of 2005, five ACS have been implemented through a joint partnership with the private and public sector. It now serves the users' community in Moncton, Saint John, Fredericton, Miramichi and Bathurst. The GPS observations are available on an hourly basis on the SNB website at no cost to the users. A broader group of users are regularly using this information. This information is now used by the forestry and mining industry; by municipalities using geographical information systems (GIS) services to locate roads, pipelines, and above and underground infrastructures and many other features.

At least two additional Active Control Stations are planned for the northwestern part of the province in fiscal year 2007-2008 to offer a province-wide coverage.

Condominium Properties

Condominium development in New Brunswick is enjoying a healthy rate of growth. In 1975, the first condominium corporation with 23 units was built in the province. As of March 31st, 2007, there are 154 condominium corporations with 2579 units. It is paramount that the condominium industry in New Brunswick continues to thrive and in doing so, contributes to the prosperity of the Province.


No significant amendments have been made to the *Condominium Property Act* in the past 36 years. It has become evident that with the emergence of issues generated by the significant growth, a review of the legislative and administrative framework for condominiums is in order. There may be a need to improve the administrative and operating procedures in order to improve consumer protection while balancing rights and responsibilities of all the stakeholders. SNB has started this process in 2007 by organizing consultative sessions with stakeholders and setting up an online survey for condominium owners.

Federal Services

Pleasure Craft Licensing

On November 7th, 2005, a tripartite agreement between Service Canada, Transport Canada and Service New Brunswick was signed to deliver licences for pleasure craft across the country on behalf of Transport Canada.

This system was implemented April 1st, 2006 giving pleasure craft operators in Canada almost three times as many places to apply for their licences as previously. They can apply at Service Canada offices nationally and at Service New Brunswick locations. This modern licensing system provides associated safety and security agencies quicker access and more accurate licence information related to pleasure crafts in Canada, ultimately benefiting pleasure craft operators in Canada.



During the year, a total of 123,312 licences were issued nationally. The related applications were then sent to the Pleasure Craft Licences (PCL) Processing Centre in Fredericton for scanning in the SNB image repository. Of the 123,312 licences issued, 14,449 were issued from the PCL Processing Centre. Since May 15, 2006, 5,977 searches were performed for pleasure craft owners and law enforcement agencies.

The above initiative has been the recipient of a number of distinguished awards:

- The Service Canada Silver Award of Excellence 2006 in recognition of its outstanding contribution to Partnership and Collaboration.
- A GTEC certificate in recognition of outstanding achievement was awarded to Service New Brunswick, Service Canada and Transport Canada as an honoured finalist in the GTEC Distinction Awards 2006 Program. This program is an annual celebration of excellence in public sector management of information and technology.
- The Public Service Award of Excellence for Excellence in Citizen-focused Service Delivery.



Business Plan Update

The following is a summary of Service New Brunswick's progress on its Business Plan for 2006-2007:

Key Result Area: Sales/ Revenue

Service New Brunswick must constantly improve the scope and number of services it offers on behalf of all levels of government. Because it operates on a commercial model, it seeks appropriate compensation for its services and the use of its intellectual property and system developments.

Goals	Progress for this period
1. Increase the number of services available at Service New Brunswick	<ul style="list-style-type: none"> The number of public services provided to citizens increased to 365 from 350 in 2005-2006 Implemented the Home Energy Efficiency Program
2. Sell Service New Brunswick's intellectual property	<ul style="list-style-type: none"> Completed work to market our Report-a-Problem and enhanced Recreation package to municipalities Participated in development of a Government-wide applications inventory to track all marketable software
3. Increase profitability	<ul style="list-style-type: none"> SNB earned \$ 5,494,418 for the year ended March 31, 2007 as compared to last year's net income of \$ 3,559,367

Key Result Area: Marketing/Communications

Service New Brunswick's name and brand must be immediately recognizable, both provincially and abroad, as a leader in the delivery of single window services. To increase revenue through the sale of its intellectual property. Service New Brunswick must continue to support its business partners in their sales endeavors.

Goals	Progress for this period
1. Increase confidence in and use of Service New Brunswick services	<ul style="list-style-type: none"> Continued to institute and manage the brand visual re-alignment, creating a consistent look and feel for all SNB material and communications Continued to support promotion of products and services through an integrated marketing strategy
2. Support private sector partners in their pursuit of sales	<ul style="list-style-type: none"> Hosted 9 national and international delegations in collaboration with private sector partners



Key Result Area: Quality Service

The success of Service New Brunswick is attributable to the provision of high quality services to citizens and businesses. Our continued success will depend on maintaining the highest level of customer satisfaction and offering quality services that meet customer needs.

Goals	Progress for this period
1. Provide a high level of service satisfaction	<ul style="list-style-type: none">• Completed re-design of SNB's public facing Web-site• In December 2006, an independent company surveyed customers who had done business with Service New Brunswick at one of our service centres, by phone or over the Internet. Service New Brunswick was rewarded with an overall satisfaction level of over 92%• Expanded the line management "Ticketing System" to the Campbellton and Bathurst service centres
2. Provide equitable and transparent assessments	<ul style="list-style-type: none">• The standards established by the International Association of Assessing Officers for the Assessment Sales Ratio, Coefficient of Dispersion, and Price Related Differential have been achieved for the residential properties even during the recent upswing in the activity of this market. The large number of residential sales has provided sufficient information for the various residential markets and has enabled the mass appraisal process to work in establishing residential values• Assessment Campaign/Awareness - Marketing and Communications launched a province wide campaign to educate property owners about the market value system of assessment. This was based around a newly designed insert placed in each property tax bill. It also involved a pro-active media relations effort whenever news stories on assessment issues propped up. In large measure, both efforts were very successful.
3. Provide easy access to business services	<ul style="list-style-type: none">• SNB and Workplace Health, Safety and Compensation Commission (WHSCC) continue to work together to add online services for WHSCC customers• Completed amendments to the <i>Partnerships and Business Names Registration Act</i> to clarify the renewal and cancellations procedures as it pertains to business name registrations for non-profit organizations



Key Result Area: Innovation and eNB

Innovation has been the hallmark of Service New Brunswick's success to date. We must focus on additional re-engineering and exploitation of technology to provide more services electronically and to provide efficiencies to the back office processes supporting these services. We must also advocate for the transfer of some functions to Service New Brunswick that are currently in government departments.

Goals	Progress for this period
1. Provide leading edge registries	<ul style="list-style-type: none">• Developed an action plan for modernization of SNB's registries, including opportunities for cross-registry service enhancements and product development• Continued work on the implementation of e-Submission in the Land Registry• On July 1st, 2006, responsibility for the Vital Statistics Registry was transferred over from the Department of Health to Service New Brunswick
2. Support Red Tape Reduction and provide improved services for businesses	<ul style="list-style-type: none">• Continued work on improving the GPS positioning capability in the province through the addition of two new Active Control Point Stations located in Miramichi and Bathurst• SNB undertook a comprehensive consultation with stakeholders to discuss current Condominium legislation as a first step in our effort to modernize condominium management
3. Be a recognized leader in citizen engagement	<ul style="list-style-type: none">• Continued to seek partnership opportunities to implement new citizen engagement solutions• Utilized our Citizen Engagement Survey Toolkit to host more than 15 surveys on behalf of our service delivery partners
4. Provide government services efficiently	<ul style="list-style-type: none">• Continued work on the Civic Address Database project. Approximately 270,000 validated civic addresses now reside in PLANET• The implementation of the 5-year Geomatics Review Action Plan was begun with the creation of the new Land Information Infrastructure Secretariat within SNB



Key Result Area: Organizational Effectiveness

Service New Brunswick requires a combination of policies, procedures and tools to ensure the effective utilization of its information, human and financial resources. Employees require the skills and tools necessary to provide quality service to the public. The Corporation must also develop strategic directions and action plans that improve efficiencies.

Goals	Progress for this period
1. Increase effectiveness of internal communication	<ul style="list-style-type: none">• Held numerous Executive and Senior Management workshops and planning sessions on corporate visioning and strategic planning• Continued to keep staff informed of key issues within the Corporation
2. Ensure the right people are in the right jobs with the right tools	<ul style="list-style-type: none">• Completed phase 1 of the Workforce Planning Initiative with Assessment Services• Commenced the development of an Employee Self-Service Time Entry and Global Leave System• Embarked on a two-year plan to enhance HR system reporting capability• Developed a Corporate Employee Growth and Development Plan• Reviewed the classification process and established a Classification Review Committee• Completed phase 1 of the Recruitment Improvement Project and began implementing recommendations
3. Operate as a business	<ul style="list-style-type: none">• Developed an Enterprise Risk Go-Forward Plan to ensure continued enterprise risk management efforts• Completed the development of SNB's 2007-2010 Business Plan

Financial Statements

Management Discussion and Analysis

Management is pleased to comment on the financial results for the year ended March 31, 2007. This discussion highlights key features of the financial statements and provides additional information and perspectives that go beyond the twelve months covered by the statements themselves.

The Board of Service New Brunswick is mandated by law to administer the affairs of the Corporation on a commercial basis based on sound business practices (*Service New Brunswick Act* section 7(3)). Accordingly, it follows business-based generally accepted accounting principles (Canadian GAAP) that reflect the value of its previous investments and appropriately match expenses with current revenues.

Balance Sheet

Cash

Service New Brunswick had cash and short term investments at March 31, 2007 of \$21.4M, up \$0.4M from its balance last year of \$21.0M. Additional details on changes in cash are provided in the Statement of Cash Flows.

Cash in excess of immediate operating requirements may be invested in short term (one year or less) secure monetary instruments. The Treasury Services Branch of the Department of Finance manages short-term investments on our behalf. Excess working capital is available for capital investment in new systems and services to meet the needs of New Brunswick citizens and businesses. Service New Brunswick continues to accumulate cash in anticipation of upcoming requirements to replace the aging PATS system for assessment and to build a licensing and permitting system to serve the needs of multiple departments.

Restricted assets

This category is comprised of two components: Cash and receivables held on behalf of partners at year end and Land Titles Assurance cash.

Partner Cash and Receivables

A significant portion of Service New Brunswick's business is to collect payments on behalf of Provincial government departments, municipalities and utilities. A total of \$425M was collected from citizens and businesses in 2006/07 and remitted to the partners on behalf of whom we provide services. Funds are collected in a consolidated account and remitted by electronic funds transfer (EFT) to partners daily. The amount of cash and receivables in transit at March 31, 2007 was \$8.7M and \$7.8M at March 31, 2006.

At the end of 2006-07, Service New Brunswick also held \$2.4M in cash and receivables on behalf of Efficiency NB, as the result of a service contract with that agency. Efficiency NB receivables are interest-free loans issued to members of the public to finance energy efficiency improvements to their homes. These loans are administered by Service New Brunswick on behalf of Efficiency NB and can have repayment terms of up to six years. They carry no risk to Service New Brunswick.

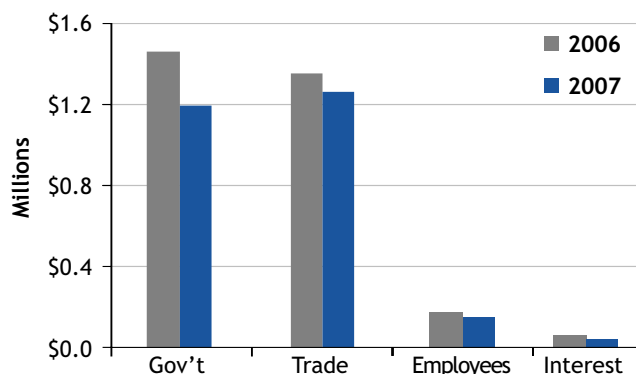
These amounts are segregated from Service New Brunswick's own cash on the balance sheet as offsetting asset and liability amounts.

Land Titles Assurance Cash

Since the implementation of Guaranteed Land Titles in 2000, the amount accumulated under Land Titles Assurance has grown to \$2.7M, an increase of \$0.5M during the year ended March 31, 2007. This amount is shown separately from other cash on the balance sheet. (See discussion of Land Titles Assurance on the following page.)

Accounts Receivable

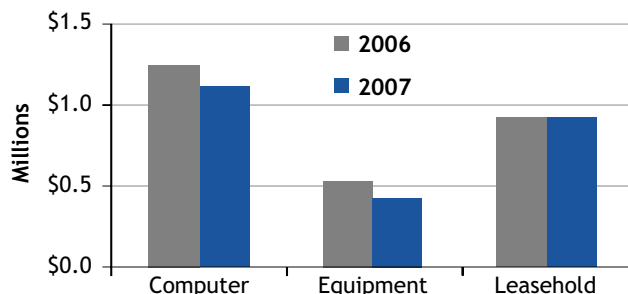
Accounts receivable at March 31, 2007 were \$2.6M compared to \$3.0M last year. The composition of accounts receivable is:



Due to the nature of the accounts, there is little risk of not collecting the accounts due. Most customers have taken advantage of our automated daily funds transfer service which provides account settlement within two business days. Other amounts are due from government and ongoing business partners.

Equipment

Service New Brunswick had tangible assets, net of accumulated amortization, of \$2.5M at March 31, 2007, compared to the March 31, 2006 balance of \$2.7M. Net tangible assets were comprised of:



System Development

Service New Brunswick has invested heavily in new systems to promote its agenda of offering services online. Development initiatives are evaluated by a project governance ranking model and overseen by the Development Committee of the Board of Directors.

Investment in System Development

System	Prior Investment	Investment 06/07	Accumulated Amortization	Net Book Value
Personal property registry	\$ 5.2	\$ -	\$ 5.1	\$ 0.1
Real property registry	8.7	0.7	5.4	4.0
Business/corporate registry	3.4	0.1	1.0	2.5
Electronic services	5.3	0.1	3.5	1.9
Enterprise resource planning	2.3	-	1.4	0.9
Point-of-Sale	2.6	-	0.9	1.7
Other	4.9	0.5	2.2	3.2
Total (millions)	\$ 32.4	\$ 1.4	\$ 19.5	\$ 14.3



Unamortized system developments amounted to \$14.3M at March 31, 2007. This is a \$1.0M decrease over last year's balance of \$15.3M. There were new additions of \$1.4M to the PLANET land management system, the Business Registry system, the E-services system, and corporate infrastructure. This was offset by \$2.4M amortization of previous investments.

Current Liabilities

Accounts payable and accrued liabilities of \$5.6M are comparable to last year's balance at March 31 of \$6.4M. Trade and Province of New Brunswick balances arise in the normal course of business. The \$1.6M amount for salary and benefit accruals includes accrued payroll and future vacation benefits that have been earned but not yet taken. Deferred employee benefits represent the current portion of this liability, as described under Long-term Liabilities below.

Deferred funding from the Province is the funding for the 1st quarter of the new fiscal year. This amount varies significantly from that shown March 31, 2006 because funding was received a few days after year end at the end of 06/07 and just prior to year end at the end of 05/06. Deferred receipts are made up of customer deposits on account.

Long-term Liabilities

Deferred Employee Benefits

Deferred employee benefits include an accrued retirement allowance liability (\$1.6M) and a liability (\$0.2M) related to an early retirement incentive offered to employees in 1996.

Land Titles Assurance

In 2000, Service New Brunswick implemented a system of Guaranteed Land Titles in New Brunswick by which landowners are assured title to their properties. Under subsection 73(1) of the *Land Titles Act*, any person who has suffered damages by the operation of the system is entitled to be indemnified to the extent provided by the Act. Five dollars is collected from every registration under Land Titles to provide funds for the payment of any damages that may be awarded should a title be defective.

The Corporation's liability is offset by the fact that it may recover damages, up to specified limits, for indemnification that is paid out and where the registering lawyer caused or substantially contributed to the damage by his/her dishonesty, fraud, criminal conduct or negligence.

To date, Service New Brunswick has collected \$2.7M in insurance fees and has paid claims totaling \$41,000. However, our experience with Land Titles is limited and problems with title may emerge with the passage of time. The Corporation commissioned an actuarial review in 2005-06 to reassess the existing levy of \$5.00 against estimated future claims. The review found that the allowance for future liabilities was adequate.

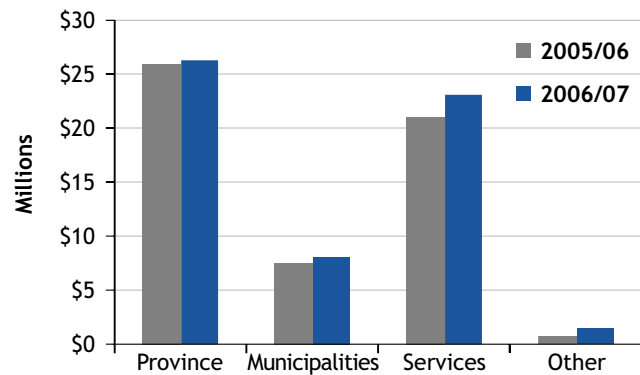
Equity

Net assets exceed liabilities at March 31, 2007 by \$34.6M – up \$5.5M over last year. The increase is attributable solely to net income for the year just ended.

Income Statement

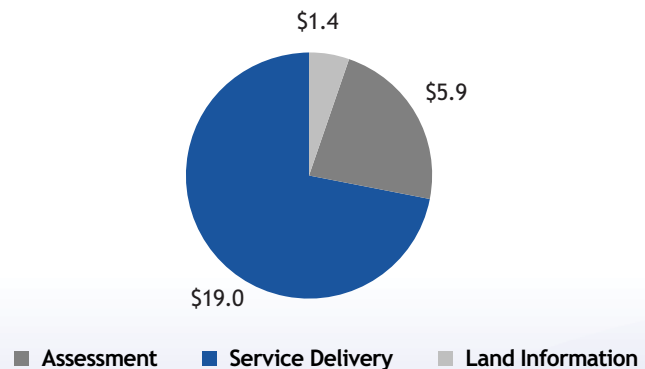
Revenues

Revenues for the year ended March 31, 2007 were \$58.3M and for the previous year \$54.9M. These were received from the sources below:



Provincial Services

Provincial revenues increased by \$0.4M to \$26.3M in 2006/07 from \$25.9M in 2005/06. Funding from the Province is a fee for services provided on behalf of the Province. It is allocated to:

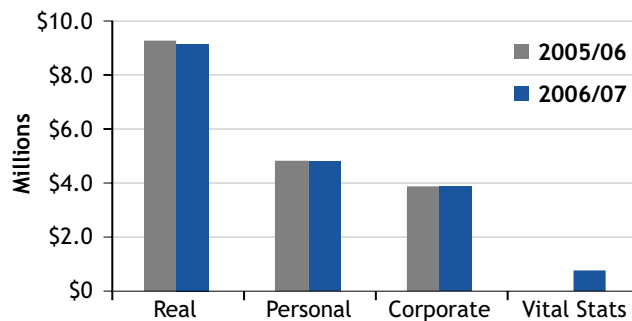


Assessment Funding

Funding for assessment services is based on a formula of \$.02 per \$100 of relevant property tax base and amounted to \$7.9M for 2006-07. In addition, the Province paid Service New Brunswick \$5.9M for its share of the service this past year.

Registry Fees

Service New Brunswick operates four registries: real property, personal property, corporate, and vital statistics. Because of low interest rates and relative economic strength, activity has been strong over the past several years. Total registry fees were \$18.6M for the year ended March 31, 2007 compared to \$18.0M for the previous year. The \$0.6M increase in registry revenues is attributable to the in-year transfer of the Vital Statistics function to the Corporation.



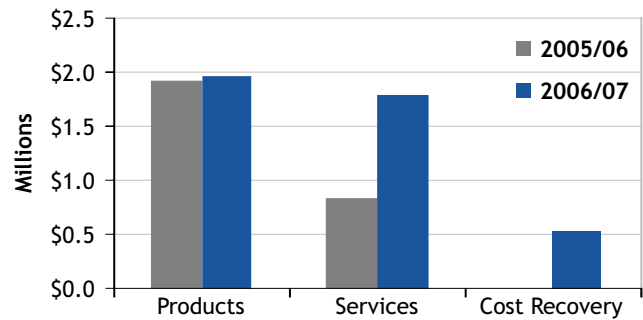
Products and Services

Products and services revenues were \$4.3M for the year ended March 31, 2007, as compared to \$2.8 in 05/06.

Product and services revenue is characteristically derived from two sources: the sale of a variety of products, mainly geographic information, and the provision of customer services on a fee for service basis, on behalf of Provincial departments, municipalities, and utilities. Services provided on behalf of Provincial departments prior to 1996 are funded through Estimates.

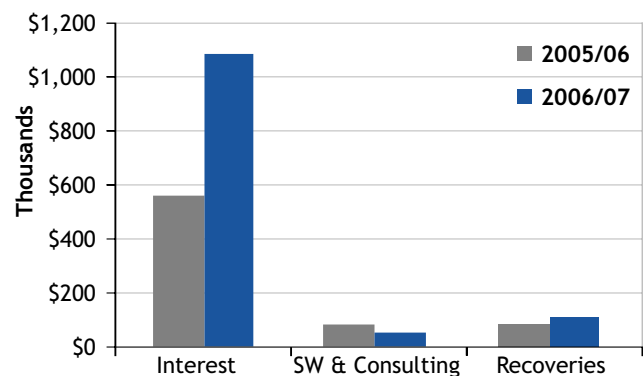
Revenue from services increased by \$0.9M in 2006/07, largely due to fees earned as a result of Service New Brunswick's contract to deliver pleasure craft licensing services. In the year just ended, there was also revenue earned as a result of cost recovery for initiatives such as a new Photo Licensing system and a Pleasure Craft

Licensing system. These items are segregated in the graph below for the sake of comparability.



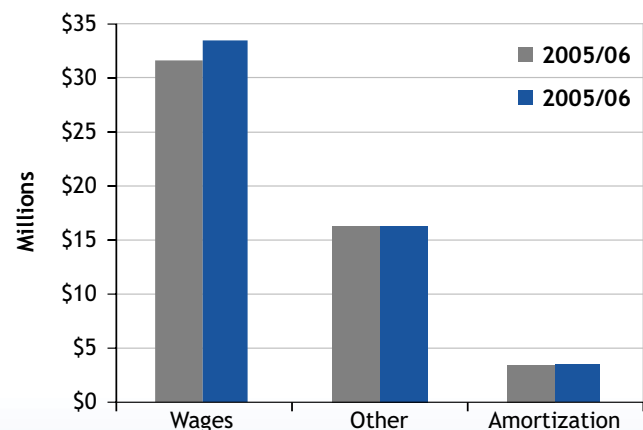
Other Revenues

Other revenues are from interest, consulting, software sales, and salary recoveries under student, internship, and equal opportunity subsidy programs. Other revenues totaled \$1.2M and \$695K, in 06/07 and 05/06, respectively. This change is mainly attributable to an increase in interest earned.



Expenses

Total expenses for the year ended March 31, 2007 were \$52.8M compared to \$51.3M in the previous year.



Salary and Employee Benefits

Salaries and related benefits amounted to \$33.2M for the year ended March 31, 2007 and \$31.7M for the previous year. The \$1.5M increase is primarily attributable to inflation.

Service New Brunswick employed 654 “full time equivalents” (FTE’s) in 2006/07 and 628 in 2005/06. They were distributed throughout the Province.

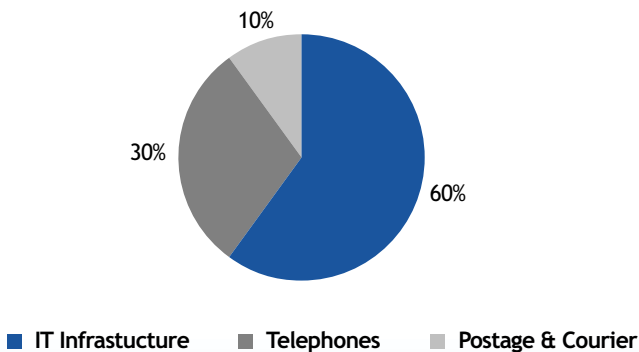
Location	FTE's
Beausejour Region	99
Chaleur Region	92
Fundy Region	92
Valley Region	112
Operations – Fredericton	135
Headquarters	124
	654

Space and Equipment Services

Expenses in this category were \$5.3M in 2006/07 and \$5.0M in 2005/06. The Corporation occupies approximately 249,000 square feet in more than 40 locations at an ongoing cost of \$4.1M. The remaining \$1.2M is for equipment services which includes computer and office equipment leases, as well as technology maintenance.

Communications and Computer Services

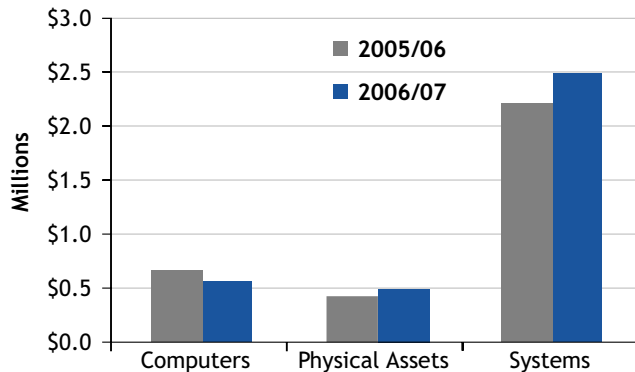
The Corporation spent \$4.7M on communications and computer services, approximately the same as the previous year. Three components are included in this category:



IT infrastructure services are outsourced to xwave; Aliant provides network communication services. Given our increasing reliance on electronic service delivery, staff has worked hard at managing IT costs through server consolidation and other measures.

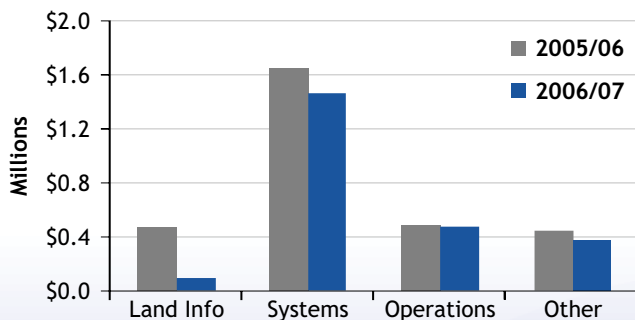
Amortization

Service New Brunswick follows generally accepted accounting principles (GAAP). Investments in systems and equipment having a useful life of four years or more are capitalized to the balance sheet and written off against income over time. Amortization is a non-cash expense. Amortization expense was \$3.5M in 2006/07 compared to \$3.6 in the prior year.



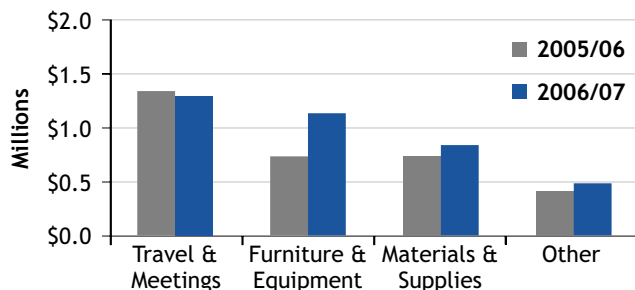
Professional Services

Costs in this category were \$2.4M for the year ended March 31, 2007 – down \$.6M from the prior year’s amount of \$3.0M. Professional services include consulting, project management, translation, Board per diems, audit, and legal fees. Also included in this category are banking fees and WHSCC administration fees. Most of the variance arises from reduced spending on professional services in the Land Information area. Corporate efforts in this area in 2006-07 were associated with the Geomatics Review and creating a five year Action Plan to renew Geomatics.



Other Expenses

Other expenses totaled \$3.7M for the year ended March 31, 2007 and \$3.2M the previous year. Costs in these categories were generally consistent from year to year. Computer equipment costs were up by \$0.3M due to natural fluctuations in scheduled replacements.



Outlook

Risks and Other Dependencies

In 2006/07, the Board of Directors approved the adoption of an Enterprise Risk Management Policy at Service New Brunswick. This policy outlines a framework of objectives and processes to ensure risk management is integrated throughout the Corporation on a consistent and continuous basis.

Reliance on the Province of New Brunswick

Service New Brunswick is a "Part 1" Crown corporation owned solely by the Province of New Brunswick. As opposed to a "Part 4" corporation, which is completely self-sufficient, Service New Brunswick shares some of the dependencies on the Province of a government department. Approximately half of the Corporation's funding is from the Province and constitutes a fee for the services provided to the Province. However, this funding is subject to the general budget pressures facing the government. The portion of the revenue related to assessment is based on "\$.02 per \$100 of assessment base" formulae for both Provincial and municipal funding. The agreement underlying this funding has expired and must be renegotiated.

The Corporation also relies on the Province for salary negotiations. As well, portions of our technical infrastructure are shared with, and managed by, the Province of New Brunswick.

Market Conditions and External Competition

Registry revenues are quite dependent on interest rates and general economic conditions. Other factors impacting overall registry revenues include housing prices, population demographics, and unemployment rates. The potential difference between favourable and unfavourable conditions to the Corporation could be several million dollars. It is unlikely that magnitude of change would occur quickly. However, revenue levels are at or near historical highs and may be vulnerable to setback.

Reliance on Technology

As Service New Brunswick increases its electronic service delivery, its reliance on technology increases. Not only is it dependent on its own systems but also on communications networks and services such as credit card verification operated by third party providers. The Corporation employs a security officer to assess risk and uses state-of-the-art methods to protect its systems. In 2006, it initiated a security audit program. To date, it has had few service outages.

The Corporation manages a growing number of systems and products. The Manager of Systems Maintenance oversees enhancements to applications so that they are maintained at appropriate levels to ensure ongoing reliability, security and suitability. Activities are underway to upgrade several systems that are not running their current versions. The Property Assessment and Taxation System (PATs) used by the Assessment Services is more than twenty-five years old and must be replaced. As well, Service New Brunswick assumed responsibility for the Vital Statistics program and its systems from the Department of Health on July 1st, 2006. These systems may also be in need of significant modernization.



Business Plan

Service New Brunswick recently embarked on a new Business Plan for 2007-2010. This Business Plan describes how SNB will focus its resources over the next three years. The process for developing the plan was collaborative with staff providing input through a variety of consultations.

The plan focuses on four Core Corporate Objectives:

- Excellence in Service
- Valued Workforce
- Effective Organization
- Innovative Growth

and four Targeted Service Objectives:

- Modernized Assessment Services
- Transformed Business Services
- Enhanced Citizen Services
- Expanded Land Information Services

The new Business Plan will position the Corporation well to address any challenges emanating from government's Self-Sufficiency Agenda and any new role it may be asked to play in the delivery of services to New Brunswickers.

Copies of the 2007 – 2010 business plan are available by contacting Service New Brunswick, or electronically at www.snb.ca.

Financial Statements

The financial statements which follow have been reviewed by the Audit Committee and approved by the Service New Brunswick Board of Directors.





Financial Statements

March 31, 2007

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Management Report

The preparation of financial information is an integral part of management's responsibilities, and the accompanying financial statements are the responsibility of the management of the Corporation.

The Corporation maintains an accounting system and related controls to provide management and the Board with reasonable assurance that transactions are executed and recorded as authorized, that assets are properly safeguarded and accounted for, and that financial records are reliable for the preparation of financial statements in accordance with generally accepted accounting principles.

It is the responsibility of the Board to oversee management's performance of its financial reporting responsibilities and to review and approve the financial statements. Upon the recommendation of the Audit Committee, these financial statements are approved by the Board of the Corporation.



Michael McKendy
President



Linda Corbett, CGA
Acting Vice President Corporate Services

Fredericton, N B Canada
May 27, 2007

Auditors' Report

To the Members of the Board:

We have audited the balance sheet of Service New Brunswick as at March 31, 2007 and the statements of income and changes in equity and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Saint John, N B Canada
May 27, 2007

Ernst + Young LLP
Chartered Accountants

Balance Sheet As at March 31

Assets	2007	2006
Current Assets		
Cash and cash equivalents	\$ 21,373,120	\$ 21,025,609
Restricted assets (Note 4)	13,825,458	10,107,429
Accounts receivable (Note 5)	2,642,711	3,066,235
Prepaid expenses	1,403,495	1,504,389
	39,244,784	35,703,662
Long Term Assets		
Prepaid expenses	68,640	113,803
Equipment (Note 6)	2,457,411	2,692,635
System development (Notes 2, 6 and 10)	14,267,598	15,332,855
	16,793,649	18,139,293
	\$ 56,038,433	\$ 53,842,955

Liabilities & Equity		
Current Liabilities		
Accounts payable and accrued liabilities (Note 7)	\$ 5,623,021	\$ 6,380,445
Partner liabilities (Note 8)	11,126,454	7,928,385
Deferred funding from the Province	-	6,352,500
Deferred receipts	234,233	323,294
	16,983,708	20,984,624
Long Term Liabilities		
Deferred employee benefits (Notes 7 and 11)	1,757,094	1,575,078
Land titles assurance (Note 9)	2,699,004	2,179,044
	4,456,098	3,754,122
Equity	34,598,627	29,104,209
	\$ 56,038,433	\$ 53,842,955

Commitments Note 12
See accompanying notes

Georgette M. Roy

Georgette M. Roy
Chairperson

Michael McKendy

Michael McKendy
President

Statement of Income and Changes in Equity For the years ended March 31

Revenues	2007	2006
Provincial services	\$ 26,259,664	\$ 25,934,256
Municipal services	7,937,728	7,478,969
Registry fees	18,634,386	18,032,085
Products and services	4,267,110	2,757,114
Interest	1,084,357	553,877
Salary recoveries	96,052	70,893
Software sales and consulting	51,694	70,532
	58,330,991	54,897,726
Expenses		
Personnel services	33,168,003	31,731,915
Space and equipment services	5,317,884	5,004,092
Communications and computer services	4,734,054	4,785,036
Amortization	3,486,507	3,562,663
Professional services	2,381,568	3,018,548
Travel and meetings	1,295,053	1,337,227
Furniture and equipment	1,133,598	744,990
Materials and supplies	827,942	739,399
Other	491,964	414,489
	52,836,573	51,338,359
Net Income	5,494,418	3,559,367
Opening Equity	29,104,209	25,544,842
Ending Equity	\$ 34,598,627	\$ 29,104,209

See accompanying notes

Statement of Cash Flows

For the years ended March 31

	2007	2006
Cash and cash equivalents provided by (used in)		
Operations		
Net income	\$ 5,494,418	\$ 3,559,367
Amortization	3,486,507	3,562,663
Deferred employee benefits	182,016	160,714
Net book value of disposed assets	15,406	-
	9,178,347	7,282,744
Change in non-cash working capital:		
Accounts receivable	423,524	(1,063,270)
Prepaid expenses	146,057	(379,171)
Accounts payable and accrued liabilities	(757,424)	754,962
Deferred funding from the Province	(6,352,500)	18,750
Deferred receipts	(89,061)	264,881
	2,548,943	6,878,896
Investments		
Additions to equipment	(792,686)	(1,193,871)
Additions to system development	(1,408,746)	(1,650,640)
	(2,201,432)	(2,844,511)
Increase in cash	347,511	4,034,385
Cash and cash equivalents, beginning of year	21,025,609	16,991,224
Cash and cash equivalents, end of year	\$ 21,373,120	\$ 21,025,609

See accompanying notes



Notes to Financial Statements

For the year ended March 31, 2007

1. Service New Brunswick

Service New Brunswick is a non-taxable Crown Corporation established under the *Service New Brunswick Act*. Its mission is making government services more accessible and being stewards for authoritative information.

2. Accounting Policies

General

The Corporation follows Canadian generally accepted accounting principles (GAAP).

Cash and cash equivalents

Cash and cash equivalents includes cash on hand and short term, highly liquid financial instruments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Restricted assets

Management has segregated cash and receivables equal to the amount of Partner Liabilities (Note 8) and the amount accumulated under Land Titles Assurance (Note 9).

Financial instruments

The carrying values of the Corporation's financial instruments approximate fair market values because of their short-term maturity and normal credit terms.

Long-term assets

Investments in information systems and databases and in physical assets having a value of \$5,000 or greater are capitalized and written off to income in accordance with the amortization policy.

Revenue

Revenue is recognized on an accrual basis as earned with an offset, in the case of Corporate Registry annual filing, for fees from businesses likely to be inactive. Amounts deemed receivable but uncollectable are recognized as bad debt expense.

Pension expense

Service New Brunswick employees are part of a multi-employer plan. Although the plan is a defined benefit plan, only current year contributions are expensed.

CGI Commercial Alliance Agreement

Funds received from CGI Information Systems and Management Consultants Inc. (CGI), under this Agreement (Note 10), are applied against the capital cost of the related investment.

Amortization

Amortization is computed on a straight-line basis on original cost with rates as follows:

Furniture, databases and systems	10 years
Leasehold improvements	duration of lease up to 10 years
Equipment and vehicles	5 years
Computers and software	4 years

Measurement uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

3. Related Entity Transaction

Service New Brunswick is solely owned by the Province of New Brunswick. The Balance Sheet contains the following related entity amounts:

	Year Ended 2007	Year Ended 2006
Accounts receivable	\$ 540,956	\$ 724,955
Accounts payable	587,352	651,289
Net owing to SNB/(Province)	\$ (46,396)	\$ 73,666

The Statement of Income and Changes in Equity contains the following related entity amounts:

	Year Ended 2007	Year Ended 2006
Revenue	\$ 35,232,833	\$ 34,512,082
Expense	1,977,416	2,018,353
Net revenue	\$ 33,255,417	\$ 32,493,729

4. Restricted Assets

Restricted assets are comprised of the following amounts:

	Year Ended 2007	Year Ended 2006
Partner cash and receivables (Note 8)	\$ 11,126,454	\$ 7,928,385
Land titles assurance cash (Note 9)	2,699,004	2,179,044
	\$ 13,825,458	\$ 10,107,429

5. Accounts Receivable

	Accounts Receivable	Allowance for Doubtful Accounts	Year Ended 2007 Net	Year Ended 2006 Net
Current				
Trade	\$ 1,227,596	\$ 46,037	\$ 1,181,559	\$ 1,170,139
HST rebate	643,462	-	643,462	740,510
Province of New Brunswick	540,956	-	540,956	724,955
Corporate registry	102,020	15,528	86,492	184,794
Employee computer loans	143,076	-	143,076	181,935
Interest receivable	47,166	-	47,166	63,902
	\$ 2,704,276	\$ 61,565	\$ 2,642,711	\$ 3,066,235

The Corporation's trade accounts receivable do not represent significant concentration of credit risk because the accounts are owed by a large number of organizations on normal credit terms. Most other receivables are deemed collectable because of the nature of the debtor or the transactions.

6. Equipment and System Development

Year Ended 2007			
Equipment	Cost	Accumulated Amortization	Net
Computers and software	\$ 3,797,724	\$ 2,687,596	\$ 1,110,128
Furniture and equipment	1,457,137	1,039,487	417,650
Leasehold improvements	2,742,344	1,823,539	918,805
Vehicles	19,075	8,247	10,828
	\$ 8,016,280	\$ 5,558,869	\$ 2,457,411
System development			
Systems	\$ 30,361,481	\$ 18,539,358	\$ 11,822,123
Databases	1,018,040	1,018,040	-
Work in process	2,445,475	-	2,445,475
	\$ 33,824,996	\$ 19,557,398	\$ 14,267,598

Year Ended 2006			
Equipment	Cost	Accumulated Amortization	Net
Computers and software	\$ 3,392,310	\$ 2,145,032	\$ 1,247,278
Furniture and equipment	1,458,979	950,321	508,658
Leasehold improvements	2,443,624	1,521,568	922,056
Vehicles	19,075	4,432	14,643
	\$ 7,313,988	\$ 4,621,353	\$ 2,692,635
System development			
Systems	\$ 29,642,540	\$ 16,066,589	\$ 13,575,951
Databases	1,018,040	1,016,806	1,234
Work in process	1,755,670	-	1,755,670
	\$ 32,416,250	\$ 17,083,395	\$ 15,332,855

7. Accounts Payable and Accrued Liabilities

	Year Ended 2007	Year Ended 2006
Current		
Trade payables	\$ 3,182,927	\$ 3,095,521
Salary and benefit accruals	1,558,321	1,943,878
Deferred employee benefits	230,000	230,000
Payroll deductions payable	64,421	459,757
Province of New Brunswick payables	587,352	651,289
	\$ 5,623,021	\$ 6,380,445

8. Partner Liabilities

Service New Brunswick collects cash on behalf of the Province of New Brunswick and other business partners. The following amounts were payable to the Province and other partners at year end.

Provincial receivables are short-term accounts which are collected from provincial clients and, subsequently, remitted to the Province. Efficiency NB receivables are interest-free loans issued to members of the public to finance energy efficiency improvements to their homes. These loans are administered by Service New Brunswick on behalf of Efficiency NB and can have repayment terms of up to six years. They carry no risk to Service New Brunswick.

	Year Ended 2007		
	Cash	Receivables	Total
Efficiency NB	\$ 402,437	\$ 2,030,911	\$ 2,433,348
Other provincial	6,537,317	93,907	6,631,224
Other partners	2,061,882	-	2,061,882
	\$ 9,001,636	\$ 2,124,818	\$ 11,126,454

	Year Ended 2006		
	Cash	Receivables	Total
Efficiency NB	\$ 149,650	\$ -	\$ 149,650
Other provincial	5,714,273	497,651	6,211,924
Other partners	1,566,811	-	1,566,811
	\$ 7,430,734	\$ 497,651	\$ 7,928,385

9. Land Titles Assurance

Under the *Land Titles Act*, the Province guarantees title to real property registered under Land Titles. The Corporation has established a fund, based on actuarial estimate, to provide for potential claims respecting indemnification pursuant to the *Land Titles Act*. An assurance fee of \$5.00 is charged for each registration in the Land Titles registry.

	Year Ended 2007	Year Ended 2006
Opening balance	\$ 2,179,044	\$ 1,676,934
Assurance fees collected	519,960	518,610
Less: claims	-	(16,500)
Ending balance	\$ 2,699,004	\$ 2,179,044

10. CGI Commercial Alliance Agreement

CGI Information Systems and Management Consultants Inc. (CGI) and Service New Brunswick signed a seven-year agreement in 2001. Under the terms of the agreement, CGI provides up to \$3.5 million to the Corporation in exchange for considerations that enable CGI to establish credibility as experts in the provision of e-government services. The considerations provided by Service New Brunswick include the contracting of CGI resources for project management and technical architecture, presentations of Service New Brunswick systems to potential clients, and exclusive access to CGI to market g-commerce software developed for Service New Brunswick. All solutions and other intellectual property developed under this Agreement are jointly owned by CGI and SNB.

Under this agreement, Service New Brunswick received \$212,022 in the year ended March 31, 2007 and \$474,802 in the year ended March 31, 2006. The total amount received since 2002 was \$2,475,090.

11. Employee Future Benefits

a) Regular employees of Service New Brunswick are covered by the Public Service Superannuation Plan of the Province of New Brunswick. The Superannuation Plan is a defined benefit multi-employer plan under which contributions are made by both Service New Brunswick and the employees. For the year ended March 31, 2007, the Corporation expensed contributions of \$2,006,850 under the terms of the plan. The comparable amount for the year ended March 31, 2006 was \$1,800,755. Service New Brunswick has no direct liability or entitlement to any unfunded liability or surplus in the plan related to its current or former employees.

b) Regular employees of Service New Brunswick are entitled to a paid retirement allowance prior to their retirement based upon years of service. Using the 2006 valuation, Service New Brunswick has determined the accrued actuarial obligation for this benefit to be \$2,575,635 as at March 31, 2007. At the end of this fiscal year, the Corporation had recorded a total liability of \$1,749,323.

	Year Ended 2007	Year Ended 2006
Accrued benefit obligation		
Beginning balance	\$ 2,417,800	\$ 2,286,241
Current service cost	184,186	172,691
Interest cost on obligation	121,791	114,733
Benefit payments	(148,142)	(155,865)
Accrued benefit obligation	\$ 2,575,635	\$ 2,417,800
Reconciliation of accrued benefit obligation to accrued benefit liability		
Accrued benefit obligation	\$ 2,575,635	\$ 2,417,800
Unamortized transitional amount	(826,312)	(929,603)
Accrued benefit liability	\$ 1,749,323	\$ 1,488,197
Accrued benefit liability		
Opening balance	\$ 1,488,197	\$ 1,253,348
Retirement allowance expense	409,268	390,714
Benefit payments	(148,142)	(155,865)
Ending balance	\$ 1,749,323	\$ 1,488,197

This estimate is based on current service cost of 0.70% of payroll and an annual discount rate of 5.00%. The transitional obligation related to the retirement allowance is amortized on a straight-line basis over the estimated remaining service period of the employees that participate in the plan (fifteen years).

c) Service New Brunswick incurred a liability related to an early retirement incentive offered to employees, including those of the Corporation, by the Province of New Brunswick in the year ended March 31, 1996. Pursuant to an agreement with the Province, the amount of the obligation and expense recorded was equal to the amount of the employer contributions that the Corporation would have otherwise funded to the Public Service Superannuation Plan. The Corporation annually reduces the recorded obligation by the amount it remits to the Province. The benefit obligation was \$237,771 at March 31, 2007 and \$316,881 at March 31, 2006.

12. Lease Commitments

The following are future minimum payments for leased premises and equipment for the years ending:

2008	\$ 3,360,922
2009	2,980,214
2010	2,964,237
2011	2,954,789
2012	2,246,259
Thereafter	7,211,622
	\$ 21,718,043